A Leadership Gap Analysis for Chinese Leaders From a 360-Degree Survey

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领导力

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Executive Summary

What are the essential leadership capabilities and skill sets needed for Chinese leaders to effectively lead and succeed in today's organizations? The Center for Creative Leadership (CCL®) set out to answer two key questions for Chinese leaders:

1. What are the leadership competencies that are most important to success for Chinese leaders?

2. What are the leadership gaps for Chinese leaders—those competencies that are seen as important, yet in which Chinese leaders are underperforming?

The research found that the most important competencies for Chinese leaders are around managing people and managing tasks. The key gaps are competencies that focus on leading employees, participative management, and change management. We also found that Chinese leaders themselves do not have the same opinion about their strengths and developmental areas as their coworkers (i.e., their boss, peers, and subordinates), which can certainly cause confusion about which leadership competencies Chinese leaders should develop. We give insight and offer developmental advice to help close the leadership gaps for Chinese leaders.

Introduction

After World War II, the Chinese economy stagnated for decades. In the late 1970s, to stimulate economic growth, the government started the "reform and opening-up" policy that encouraged restructuring of the central-controlled economic system and opening the market to foreign investment and international trade. Since then, the world has witnessed rapid economic growth in China. Multinational companies have set up offices and operations in China, and China-based organizations have started to expand their business overseas.

With the rapid growth and expansion of business in China, the demand for competent leaders has increased. Chinese leaders face a business environment that is more complicated than ever before. Externally, they need to deal with government regulation, fierce competition, and an uncertain economic landscape. Internally, they need to increase operational efficiency while developing and managing talent pipelines to be sure leadership is in place now and into the future.

We conducted a study using CCL's 360-degree Benchmarks® instrument in order to answer the important questions:

"Are Chinese leaders ready?" and "Do they have the necessary strengths in the competencies that are important for success in their organizations to effectively deal with these challenges?"

We analyzed the data to understand leadership competencies of Chinese leaders and focus on two key questions.
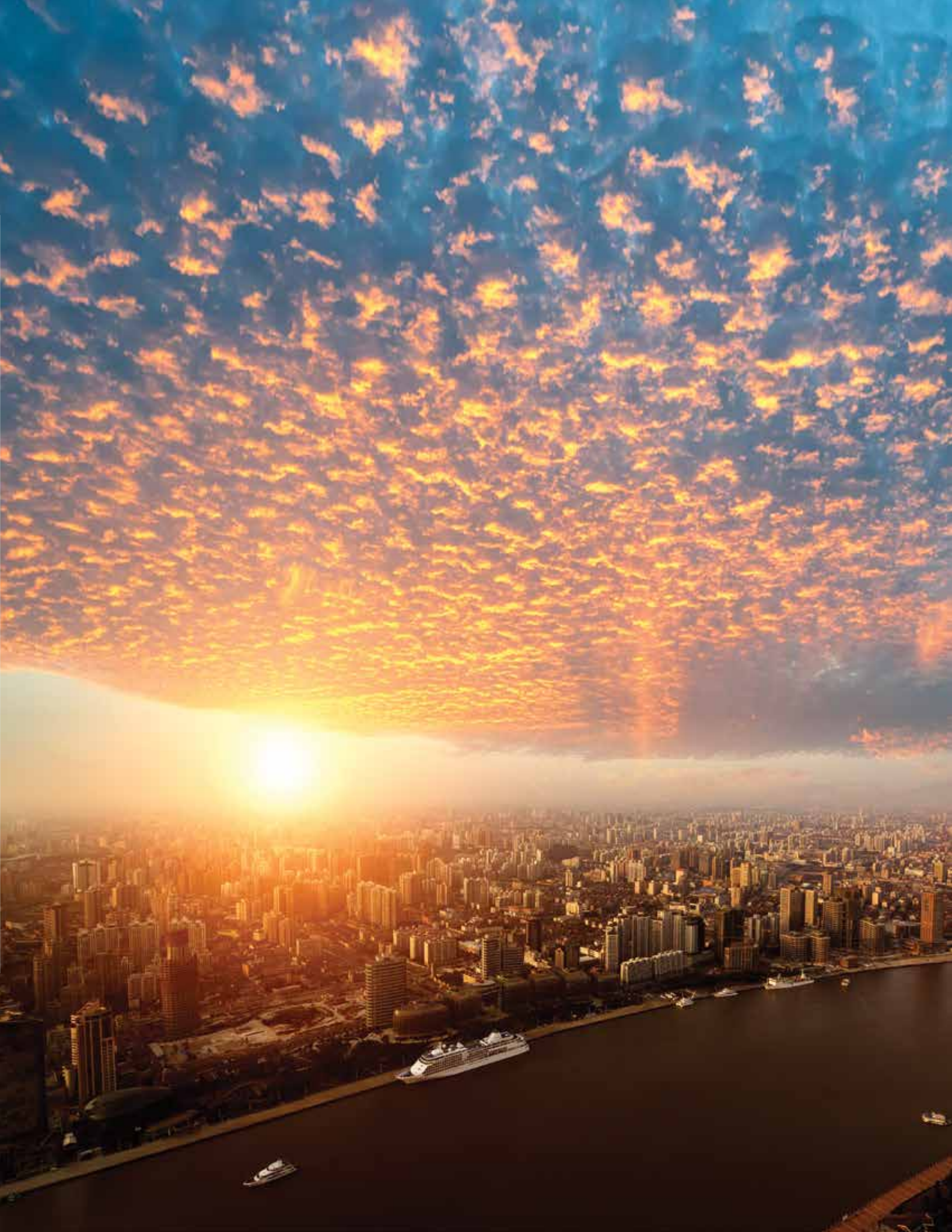
Key Questions

What are the competencies seen as the most important for the success of Chinese leaders?

Based on decades of research, CCL has identified—in the 360-degree Benchmarks instrument—16 leadership competencies that are important for success in a person's organization. While all 16 competencies are important, some competencies may be perceived to be more or less important for success in an organization by different people, either because they are from different organizations or countries, or because they are at different levels of the organization. Knowing the relative importance of each leadership competency towards success helps organizations focus on which competencies should be developed and strengthened in their leaders. Such knowledge also helps individual leaders focus on the most important areas for their own personal development and career advancement.

What are the key leadership gaps for Chinese leaders?

Knowing whether a competency is important or not is one thing; understanding whether leaders are skilled in that competency is another. The leadership gap refers to the discrepancy between competencies considered to be important and how well leaders are currently performing on those competencies. After identifying the most important competencies, organizations and individual leaders also need to identify how strong or weak their leaders are in those competencies. A leadership gap analysis can therefore help leaders focus on key developmental areas where a competency may be seen as extremely important to success, yet leaders may be underperforming or may be perceived as being weak on that competency.

The results reported in this paper are based on data collected from 450 Chinese leaders who attended CCL leadership programs between 2000 and 2011. We collected 360-degree survey data from leaders themselves, as well as their bosses, subordinates, and peers using Benchmarks. By comparing the opinions of different sources, we were able to identify the most important competencies for success for Chinese leaders, how strong they are at these competencies, and the leadership gap. The "About the Research" section at the end of this paper has further details about the leaders surveyed and our methodology.

Key Findings

The five most important competencies for Chinese leaders can be categorized into two themes:

managing people and **managing tasks**. Specifically, two competencies that are related to managing people were highly ranked in importance: leading employees and participative management. Three competencies that are related to managing tasks were also highly ranked in importance: resourcefulness, change management, and decisiveness. These five most important competencies reveal the dual aspects of leadership challenges. On one hand, Chinese leaders need to make quick decisions, solve problems efficiently, and get things done; on the other hand, they are also expected to build and maintain good relationships with stakeholders, especially employees.

The key leadership gaps for Chinese leaders are: leading employees, participative management, and change management. These are competencies that were ranked as being highly important and were also areas of weak performance. To strengthen their leadership skills, Chinese leaders need to leverage the collective wisdom by empowering people, developing employees, and encouraging them to participate in decision making. In order to succeed in a fast-changing environment, leaders need not only to adapt quickly, but also to truly embrace change and even initiate important changes in their organizations.

There are discrepancies between leaders' self-ratings and the feedback from their observers. For example, leaders rated leading employees as a strength while the observers rated it as a developmental area; leaders rated decisiveness as a developmental area while the observers rated it as a strength. The discrepancies indicate that Chinese leaders do not have an accurate self-understanding. Such discrepancies may be due to lack of communication and may hinder leaders' development.

Prioritizing Competencies

16 leadership competencies tracked by Benchmarks

CCL Benchmarks is a 360-degree assessment tool that tracks leadership competencies from multiple sources, including leaders themselves, their bosses, subordinates, and peers. The 16 competencies tracked are:

Resourcefulness. Can think strategically and make good decisions under pressure; can set up complex work systems and engage in flexible problem-solving behavior; can work effectively with higher management in dealing with the complexities of a management job.

Doing Whatever it Takes. Has perseverance and focus in the face of obstacles; takes charge; is capable of standing alone, yet is open to learning from others when necessary.

Being a Quick Study. Quickly masters new technical and business knowledge.

Decisiveness. Prefers quick and approximate actions to slow and precise ones in many management situations.

Leading Employees. Delegates to employees effectively, broadens employee opportunities, acts with fairness toward direct reports, and hires talented people for his/her team.

Confronting Problem Employees. Acts decisively and with fairness when dealing with problem employees.

Participative Management. Uses effective listening skills and communication to involve others, to build consensus, and to influence others in decision making.

Change Management. Uses effective strategies to facilitate organizational change initiatives and to overcome resistance to change.

Building and Mending Relationships. Knows how to build and maintain working relationships with coworkers and external parties; can negotiate and handle work problems without alienating people; understands others and is able to get their cooperation in nonauthority relationships.

Compassion and Sensitivity. Shows genuine interest in others and sensitivity to employee needs.

Straightforwardness and Composure. Is steadfast, relies on fact-based positions, doesn't blame others for mistakes, and is able to recover from troubled situations.

Balancing Personal Life and Work. Balances work priorities with personal life so neither is neglected.

Self-Awareness. Has an accurate picture of strengths and weaknesses and is willing to improve.

Putting People at Ease. Displays warmth and a good sense of humor.

Respect for Differences. Demonstrates a respect for varying backgrounds and perspectives. Values cultural differences.

Career Management. Develops, maintains, and uses professional relationships, including mentoring, coaching, and feedback, to manage own career.

Table 1

In the Benchmarks survey, the raters were asked to pick which eight of the 16 competencies were most important for leaders to succeed in their organizations. We compiled the data and conducted a rank analysis.

Rank	SELF		BOSS		SUBORDINATE		PEER	
1	Leading Employees	87%	Leading Employees	90%	Leading Employees	85%	Leading Employees	87%
2	Resourcefulness	76%	Resourcefulness	81%	Resourcefulness	74%	Resourcefulness	75%
3	Participative Management	69%	Change Management	74%	Participative Management	66%	Decisiveness	66%
4	Change Management	67%	Decisiveness	74%	Being a Quick Study	59%	Participative Management	65%
5	Building & Mending Relationships	63%	Doing Whatever It Takes	69%	Decisiveness	58%	Change Management	65%
	Number of sample: N = 450		Number of sample: N = 445		Number of sample: N = 1,577		Number of sample: N = 1,599	

Effective Leaders

Hence, the most important competencies for Chinese leaders are:

Managing People	Managing Tasks

Resourcefulness

Leading Employees

Change Management

Participative Management

Decisiveness

9
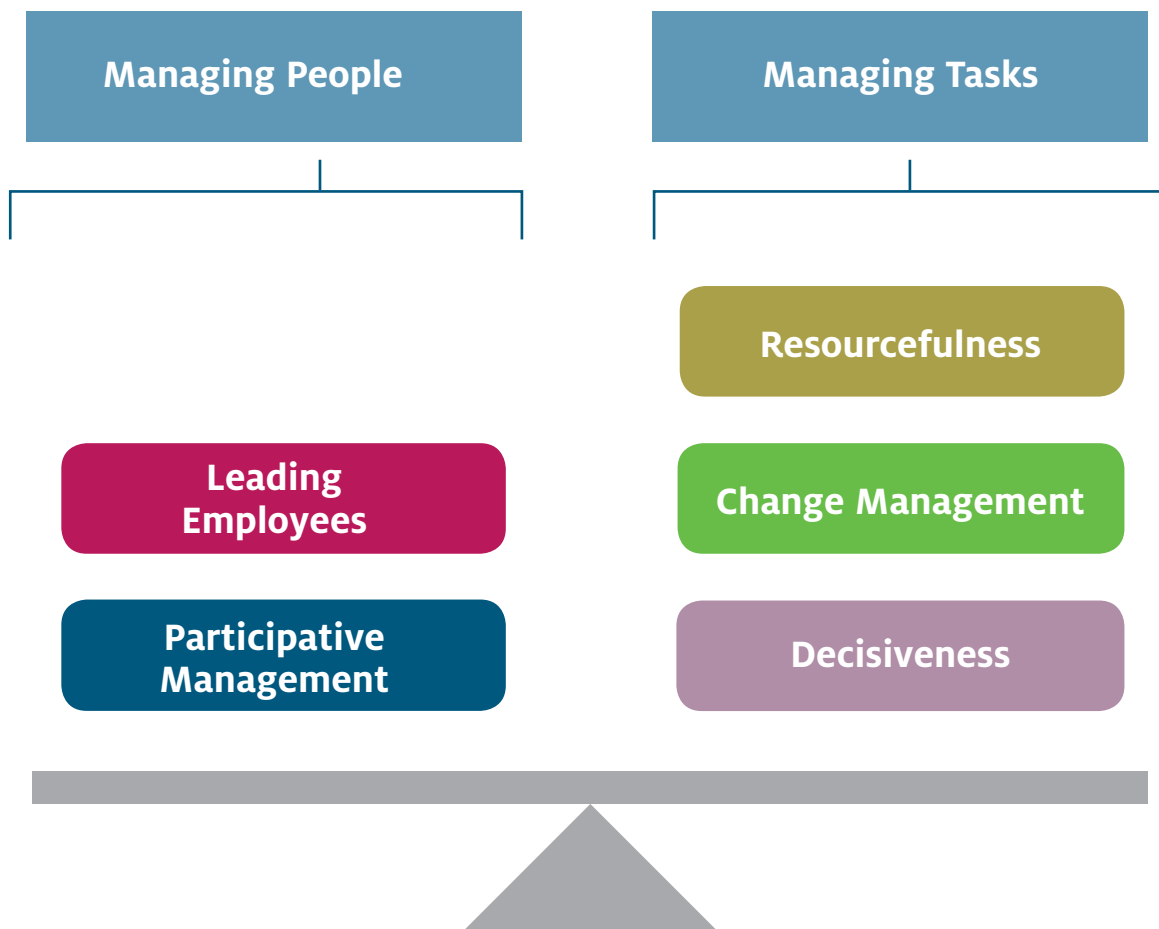
Identifying the Gaps

To identify the leadership gaps, we examined the alignment between effectiveness ratings on the leadership competencies examined and how important each competency was thought to be by each rater. By accounting for two dimensions, importance and effectiveness, in our analysis, we were able to come up with a prioritization of competencies.

Key Gaps: Competencies in which managers are not effective but are seen as highly important.

Key Assets: Competencies in which managers are rated as being highly effective and are also seen as highly important.

Low Priority Gaps: Competencies in which managers are not effective and which also are not considered as important as other competencies.

Low Priority Assets: Competencies in which managers are rated as being highly effective but are also not considered as important as other competencies.

We conducted this gap analysis based on self, boss, subordinate, and peer evaluation. (See Figures 1–4 on pages 14–15.)

We conducted a gap analysis for all 16 competencies rated by all four rater sources. A focus on the five most important competencies identified in Table 1 shows that:

Leading Employees is seen as a "key asset" by leaders themselves but as a "key gap" by their bosses, subordinates, and peers.

Participative Management is seen as a "key asset" by leaders themselves but as a "key gap" by their bosses, subordinates, and peers.

Resourcefulness is seen as a "key asset" by all four sources.

Change Management is seen as a "key asset" by subordinates but as a "key gap" by leaders themselves, their bosses, and peers.

Decisiveness is seen as a "key gap" by leaders themselves but as a "key asset" by their bosses, subordinates, and peers.

By comparing the gap analysis for each of the four rater sources, we can see the discrepancy between Chinese leaders' self-ratings and their observers' ratings. Chinese leaders think that they are good at leading employees while their observers think otherwise. Also, while Chinese leaders think that they need to improve decisiveness, their observers think that they are good enough. In conclusion, the real gaps that Chinese leaders should work on are **Leading Employees**, **Participative Management,** and **Change Management**. Moreover, Chinese leaders also need to improve their understanding of (1) the areas that are their strengths and key assets and (2) the areas in which they need to develop themselves.

Closing the Leadership Gaps

Our results identified the key gaps for Chinese leaders as leading employees, participative management, and change management. We also found discrepancies between leaders' self-rating and their observers' ratings. While leaders rated themselves high in leading employees, the observers rated it low; while leaders rated themselves low in resourcefulness, the observers rated it high. To help leaders in these areas, we offer some suggestions that individuals, managers, HR departments, and others in the organization can use to close these gaps.

Leading Employees. Leadership has three components: direction, alignment, and commitment (DAC). By leading employees, we mean that individual leaders have the ability to lead the team to set up a common goal or vision (direction), coordinate the collective actions (alignment), and make sure that the team members' personal interests are subsumed within the collective interest (commitment). Leaders who can achieve DAC are willing to empower employees and delegate tasks, are effective communicators, and act fairly. Moreover, leaders should have the mindset to develop others by coaching, providing challenging opportunities, and rewarding hard work and excellence.

Leaders can strengthen their ability to lead employees in a number of ways, including starting a new team; broadening the services or products of their team; and making each employee aware of how important their job is to the team, the organization, or even how their job makes a difference in society at large.

Organizations should also create a developmental climate and maintain an efficient talent pipeline. People in organizations, particularly those in HR or talent management departments, but also executive team members, should communicate the importance of leaders' taking time to develop their employees and should understand the importance of creating development plans for themselves and their employees.

Participative Management. Chinese leaders need to learn to involve employees in management. Strong leaders value participative management, share information with the team openly, and push decision-making to the lowest appropriate level. They also have an open mind to different perspectives and opinions.

Leaders can enhance their participative management skills by meeting regularly with their subordinates as a group to solve problems or come up with new ideas, focusing on listening and requesting more input, and being open to receiving input. For organizations, it is important that communications be transparent and that employees have a forum for sharing and exchanging ideas.

Change Management. Change management is very important for Chinese leaders. At CCL, we believe that the best way to learn how to manage change is through practice and learning from experience. Leaders need to be more open to change, think about taking small steps to get to the final goal, and become savvy in asking the right questions to understand the issues or problems involved.

Organizations can improve leaders' ability to manage change by providing them with stretch assignments. Job rotations are also effective ways to expose leaders to different environments, enabling them to learn different and essential skills. Leaders could also join a project team opening a new market or installing new systems, or they could be responsible for a new project or new process in their own group. Whatever is done or whichever special assignment is given, organizations must provide leaders the necessary support, such as coaching and mentoring, so that they can learn and adapt quickly, have time to experiment, and make mistakes and corrections.

The Discrepancy between Self and Other Ratings. The discrepancies imply that Chinese leaders do not have an accurate understanding of their strengths and developmental areas, which may be due to a lack of communication or miscommunication between the leaders and their colleagues. To reduce the discrepancy, individual leaders should have regular and ongoing communication with their colleagues, seek feedback, and spend time on self-reflection. Organizations can help leaders by fostering a feedback-rich environment, which consists of both formal (e.g., performance review) and informal feedback processes.
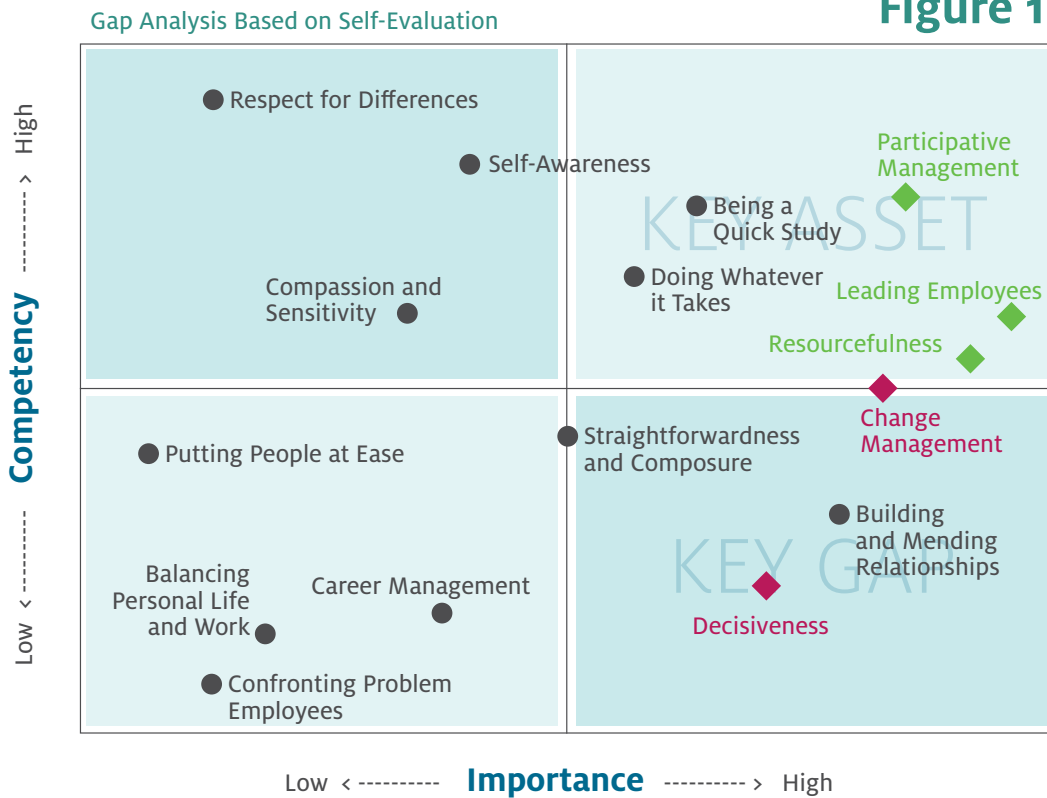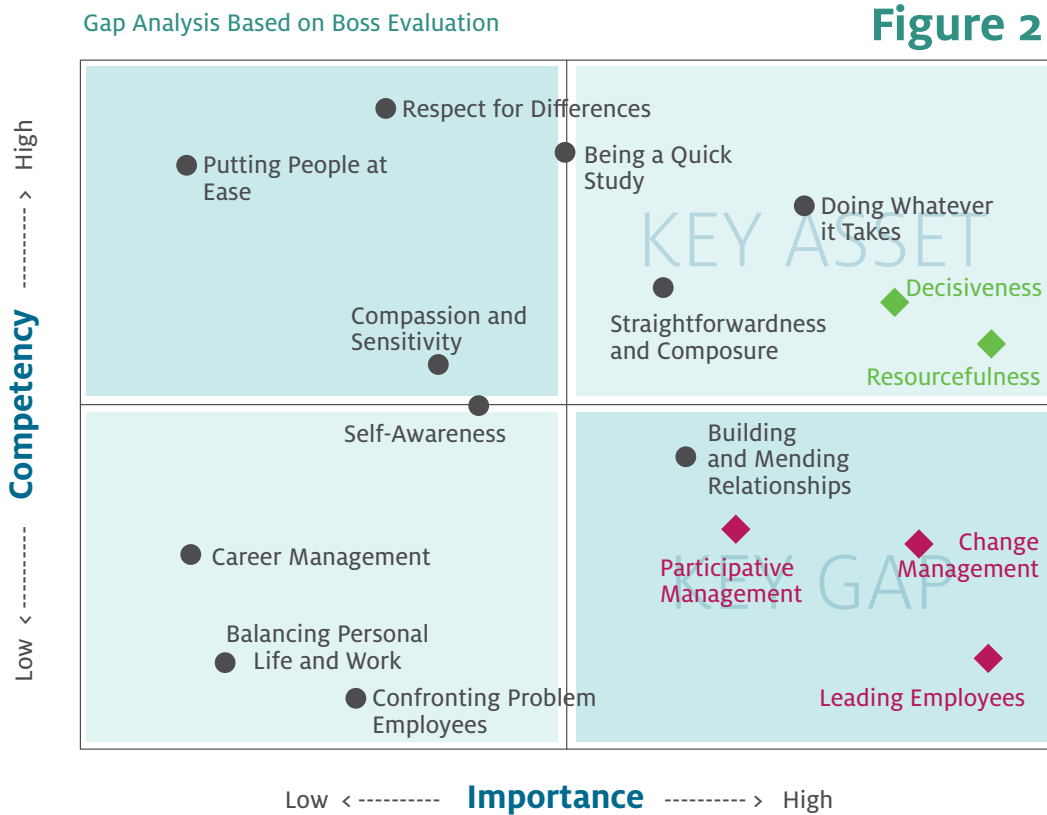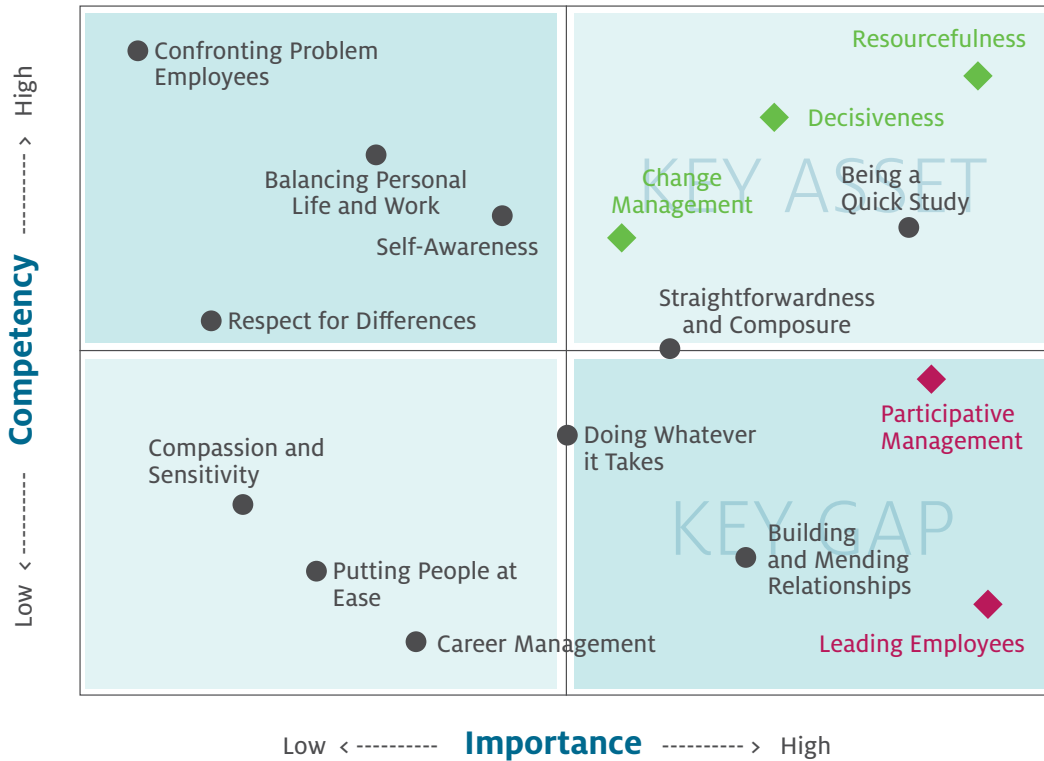
Figure 1

Gap Analysis Based on Self-Evaluation

Competency ---------- High / Low ← ----------

KEY ASSET

KEY GAP

- Respect for Differences
- Self-Awareness
- Being a Quick Study
- Participative Management
- Doing Whatever it Takes
- Leading Employees
- Compassion and Sensitivity
- Resourcefulness
- Change Management
- Putting People at Ease
- Straightforwardness and Composure
- Building and Mending Relationships
- Balancing Personal Life and Work
- Career Management
- Decisiveness
- Confronting Problem Employees

Low ← ---------- **Importance** ---------- → High

Figure 2

Gap Analysis Based on Boss Evaluation

Competency ---------- High / Low ← ----------

KEY ASSET

KEY GAP

- Respect for Differences
- Putting People at Ease
- Being a Quick Study
- Doing Whatever it Takes
- Decisiveness
- Compassion and Sensitivity
- Straightforwardness and Composure
- Resourcefulness
- Self-Awareness
- Building and Mending Relationships
- Career Management
- Participative Management
- Change Management
- Balancing Personal Life and Work
- Confronting Problem Employees
- Leading Employees

Low ← ---------- **Importance** ---------- → High

Note for Figures 1 to 4: Diamonds represent the top five most important competencies identified in Table 1.
The green diamonds represent the competencies that are also rated "key assets" by leaders' peers; the red diamonds represent the competencies that are rated as "key gaps" by leaders' peers.
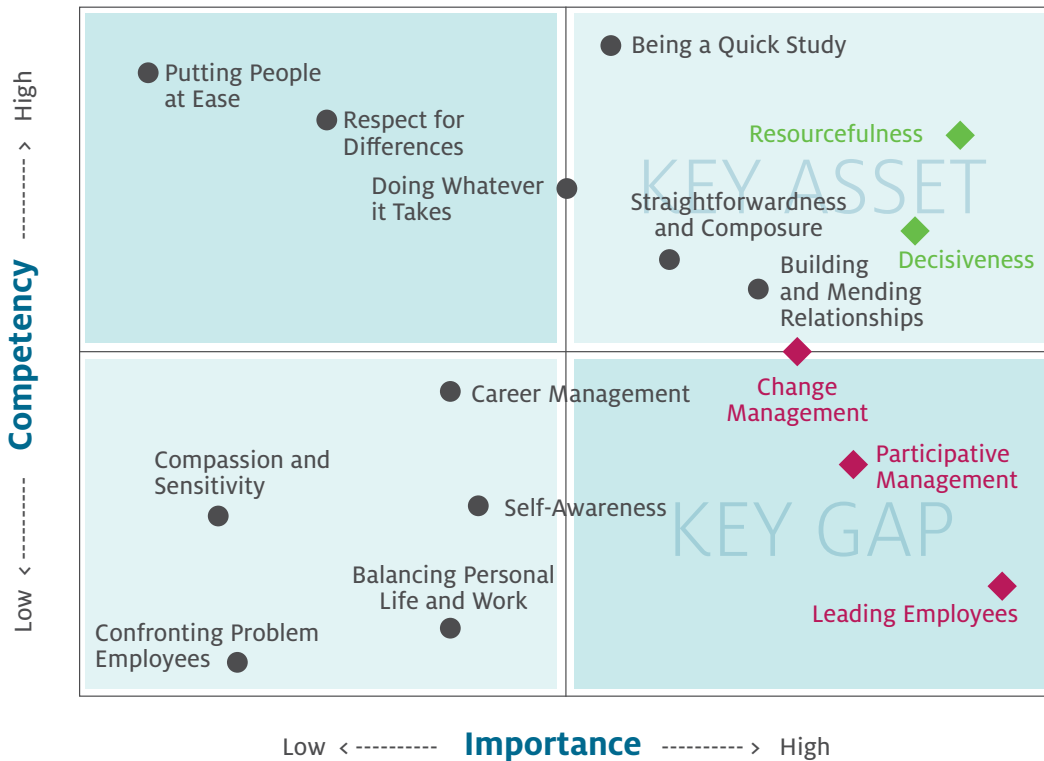
Gap Analysis Based on Subordinate Evaluation

Figure 3

Competency ---------- > High / Low < ----------

- Confronting Problem Employees
- Resourcefulness
- Decisiveness
- Balancing Personal Life and Work
- Change Management
- Being a Quick Study
- Self-Awareness
- Respect for Differences
- Straightforwardness and Composure

KEY ASSET

- Participative Management
- Compassion and Sensitivity
- Doing Whatever it Takes
- KEY GAP
- Building and Mending Relationships
- Putting People at Ease
- Career Management
- Leading Employees

Low < ---------- **Importance** ---------- > High

Gap Analysis Based on Peer Evaluation

Figure 4

Competency ---------- > High / Low < ----------

- Putting People at Ease
- Being a Quick Study
- Respect for Differences
- Resourcefulness
- Doing Whatever it Takes
- KEY ASSET
- Straightforwardness and Composure
- Decisiveness
- Building and Mending Relationships
- Career Management
- Change Management
- Compassion and Sensitivity
- Participative Management
- Self-Awareness
- KEY GAP
- Balancing Personal Life and Work
- Confronting Problem Employees
- Leading Employees

Low < ---------- **Importance** ---------- > High

Conclusion

Over the next several decades, Chinese leaders will continue to face an environment that is volatile, uncertain, complex, and ambiguous. To take up the challenges and leverage the opportunities, they have to excel in managing people and managing tasks. Our analysis found that, in general, Chinese leaders are resourceful and decisive. However, they need to improve their skills of managing change, leading employees, and letting employees participate in the managing process. Moreover, by comparing leaders' self-ratings with the feedback from their colleagues, we think Chinese leaders need to improve their understanding of self-strengths and developmental areas by seeking feedback frequently from their colleagues.

This report serves as a starting point for leaders to review, rethink, reevaluate, reflect on, and recalibrate their strengths and developmental areas, and to examine leadership gaps for current and future Chinese leaders to succeed in the current Chinese and global business environment.

About the Research

Between 2000 and 2011, 450 Chinese leaders completed CCL's Benchmarks assessment, a 360-degree feedback survey. These leaders reported their native languages to be Mandarin or Cantonese. The sample consisted of 65% men; had an average age of 40 (youngest 25 and oldest 65); and included 46.9% upper-middle managers, 30% middle managers, and 18% executives or top managers. Participants were from private, public, and nonprofit sectors.

The Benchmarks survey has 16 scales to rate leadership competencies. Respondents to the survey (both self-reporters and observers) indicate relative importance for success among the 16 leadership skills by identifying the eight competencies that they believe to be the most important to success in the organization. Respondents also rate effectiveness at executing each of the 16 competencies on a five-point scale, with five representing the highest level of effectiveness. This study examines the relationship between importance rankings and effectiveness ratings from 450 leaders, 445 bosses, 1,577 subordinates, and 1,599 peers.
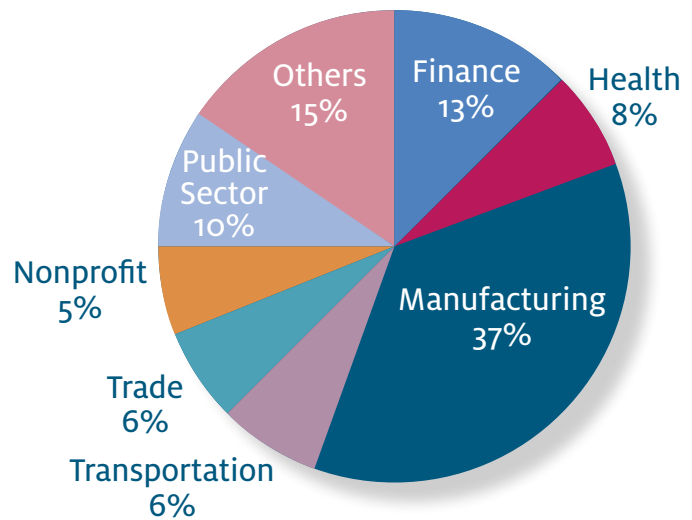
GENDER PROFILE
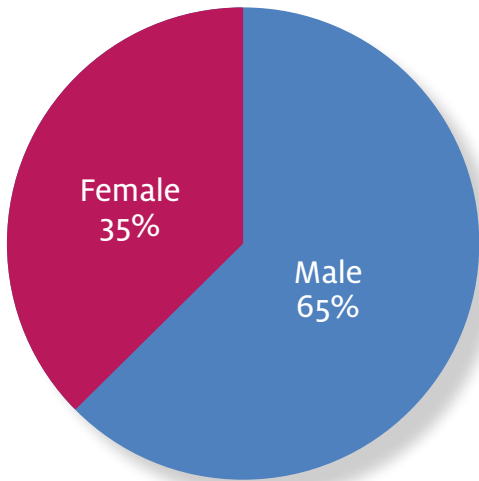
Female
35%

Male
65%

EDUCATION PROFILE
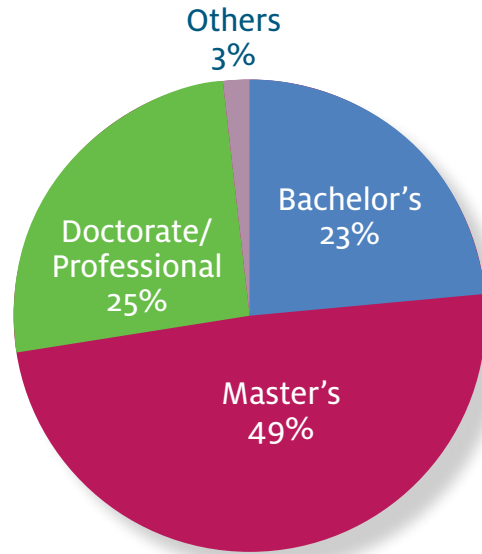
Others
3%
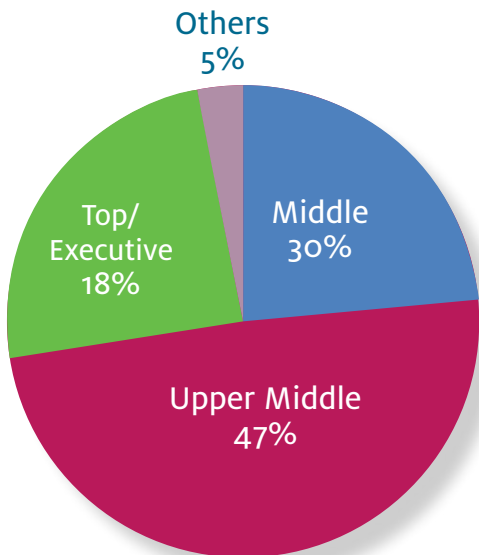
Bachelor's
23%

Doctorate/
Professional
25%

Master's
49%

ORGANIZATIONAL LEVEL

Others
5%

Top/
Executive
18%

Middle
30%

Upper Middle
47%

SECTOR PROFILE

Others
15%

Finance
13%

Health
8%

Public
Sector
10%

Nonprofit
5%

Manufacturing
37%

Trade
6%

Transportation
6%

Resources

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